Nixon's Sale of Florida Land Under Probe, Newsweek Says

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Newsweek magazine reported yesterday that government investigators, in a probe of President Nixon's personal finances, are looking into a Florida real estate deal.

The magazine said the investigators are said to be exploring the possibility that the President manipulated tax laws and family property to minimize the capital gains tax on the profits of the Florida transactions.

The White House called Newsweek story "false and extremely irresponsible."

In its current issue, Newsweek notes that the White House has generally denied some points reported by the magazine and said it was "not aware of any official investigation relating to the President's finances."

In 1967 Mr. Nixon bought two lots near the Key Biscayne White House from a wealthy friend of Bebe Rebozo at the bargain price of $37,000, the magazine reported. When Mr. Nixon sold the property five years later at a profit of $112,400 Patricia Nixon Cox, the President's daughter, was an unrecorded partner in the transaction, Newsweek said. Although her name did not appear on the purchase or sale documents, associates of the President's confirmed she put up $20,000 of the purchase price, according to the magazine.

According to the theory investigators were checking, Newsweek reported, the President claimed the entire capital gain as income on his federal income tax return.

"Since he had established large deductions in donations and interest paid . . . he would pay less total tax on Tricia's share than she would have owed," the magazine said.

Investigators have told Newsweek that White House files contain memoranda documenting the procedure, the magazine said.

A lawyer, not identified, involved in the deal is said to have written, "Tell Tricia we'll make it up to her," according to the magazine.

The magazine quotes an unidentified tax expert as saying the report, if true, "would be rearranging the family's property for the purpose of avoiding a tax. There have been fraud cases brought on that."

The White House, in its statement, denied that the President claimed the entire capital gain as income. "On the contrary, the President and his daughter each reported their share of the profit."

Newsweek also said investigators probing Internal Revenue Service activities are studying three previously undisclosed trusts set up for the Nixon estate. It said two were administered by former White House chief of staff H. R. Haldeman and the third by former domestic counselor John Ehrlichman.

The White House said the trusts are part of the President's estate plan and "contain no assets other than the token amounts necessary to bring them into existence."

The Newsweek report, the White House said, "is symptomatic of the witch hunt atmosphere in which false information and harmful impressions about the President are being generated and broadly disseminated . . . by major news media."